



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 31, 2007

Mr. Bill Cope
Vice president, Eastern Pipeline Operations
Southern Natural Gas Company
P.O. Box 2563
Birmingham, AL 35202-2563

CPF 2-2007-1018

Dear Mr. Cope:

Between October 10, 2006 and December 1, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in Mississippi and Alabama, and reviewed records at your offices at Heidelberg and Columbus, Mississippi, and Tarrant and Elmore, Alabama.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.195 Protection against accidental overpressuring.

(a) General requirements. Except as provided in §192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of §192.199 and §192.201.

§192.201 Required capacity of pressure relieving and limiting stations.

(a) Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline . . . must be set to operate, to insure the following. . . .

(2) In pipelines other than a low pressure distribution system:

(i) If the maximum allowable operating pressure is 60 p.s.i. (414 kPa) gage or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower . . .

A pressure limiting device located at the New Calera Tap facility does not meet the requirements of §192.195(a). The New Calera Tap, located at North Main Line milepost 300.513 and installed in 1997, does not have a pressure relieving or pressure limiting device that is set to operate at the pressure prescribed in 192.201(a)(2)(i). The North Main Line MAOP (525 psig) could be exceeded if the 16" check valve that isolates the 2nd North Main Line from the North Main Line was to catastrophically fail (*pressure control failure or of some other type of failure*). It is not uncommon for pressure in the 2nd North Main Line to reach 600 psig at this location.

Records indicate that pressure in the North Main Line at New Calera Tap is remotely monitored by Gas Control via SCADA and high pressure alarm(s). Also, Valve 4 at New Calera Tap can be closed remotely by Gas Control to isolate the 2nd North Main Line from the North Main Line. However, Valve 4 does not meet the requirements of 192.201(a)(2)(i) in that the valve is not set to operate at the pressure prescribed in 192.201(a), the valve can only be closed upon human action.

2. §192.465 External corrosion control: Monitoring.

(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. . . .

Southern Natural Gas Company (SNG) did not test the cathodically protected North Alabama Pipeline at least once each calendar year, but with intervals not exceeding 15 months between MP 32.216 and MP 122.175. Records indicate that the referenced pipeline segment was tested for cathodic protection on 05/10/04 and 08/22/05, 08/23/05, and 08/24/05, thus exceeding the maximum prescribed 15 month interval by 12 days, 13 days, and 14 days respectively.

3. §192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

. . . (c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

SNG did not maintain records required of §192.709(c) relating to surveys performed in accordance with §§192.625 *Odorization of gas*, 192.705 *Transmission lines - Patrolling*,

and 192 706 *Transmission lines Leakage surveys* as required of 192 709(c) in that the records are not adequate or are incorrect

Two (2) records dated 11/18/05 indicate different odorant injection rates at the East Gadsden odorizer Also, the East Gadsden odorant injection reports have pre-programmed inaccurate remarks conveying that sniff tests are performed weekly Sniff tests are performed quarterly

The Auburn Class 3 patrol and leak survey report performed on 9/25/06 and 09/26/06 is incomplete in that the method of the leak survey (gas detector, foot patrol, vegetation, etc) and the type of any leak detection equipment used are not documented on the report

4. §192.731 Compressor stations: Inspection and testing of relief devices.

(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §§192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.

§192 739 Pressure limiting and regulating stations: Inspection and testing

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year. . . .

SNG did not adequately test the Gwinville Compressor Station high pressure shutdown devices (Unit no 10 and 12) at intervals not exceeding 15 months, as required of 192 731(a)

Records indicate that although applicable pressure transmitters were tested for accuracy during the 09/05/06 safety device tests, the high pressure shutdown electronic control loops were not tested to assure shutdowns at setpoint The previous tests were conducted on 06/03/05 (unit 10) and 06/02/05 (unit 12)

5. §192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

(1) In good mechanical condition;

(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

(3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and

(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

The 16" check valve located between valve nos 1 and 2 at New Calera Tap (MP 300 513 North Main Line, MP 178 016 2nd North Main Line) is not inspected and tested as required of 192 739(a). The check valve is considered by PHMSA to be a pressure limiting station because it effectively isolates the North Main Line (525 psig MAOP) from the 2nd North Main Line (750 psig MAOP), and could conceivably fail. It is not uncommon for pressure in the 2nd North Main Line to reach 600 psig at this location. The check valve should be inspected and tested at the referenced frequency, to assure it operates and seals as designed (is in good mechanical condition), and is properly installed and protected.

No inspection and test records were provided.

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Southern Natural Gas Company. Please refer to the *Proposed Compliance Order* that is enclosed and made a part of this Notice.

Warning Items

With respect to items 2, 3, and 4 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these item(s). Be advised that failure to do so may result in Southern Natural Gas Company being subject to additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 2-2007-1018** and for each document you submit, please provide a copy in electronic format whenever possible

Sincerely,

A handwritten signature in cursive script that reads "Linda Daugherty". The signature is fluid and written in black ink.

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Southern Natural Gas Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Southern Natural Gas Company with the pipeline safety regulations

- 1 In regard to Item Number 1 of the Notice pertaining to pressure relieving or pressure limiting devices required of §192 195(a), perform a system-wide review of such devices in operation, and identify any devices that are not designed to operate at a set pressure in accordance with §192 201(a) For identified device(s), develop a written correction plan and a schedule to remedy the deficiency Provide the plan to the PHMSA Southern Region office as indicated in Item 4 below
- 2 In regard to Item Number 5 of the Notice pertaining to the requirement to inspect and test check valves that operate in compliance with §192 739(a), perform a system-wide review of such check valves and identify those that are not being tested and inspected in accordance with §192 739(a) For identified check valve(s), develop a written plan to assure the valves are inspected and tested in accordance with §192 739(a) Provide the plan to the PHMSA Southern Region office at the address in Item 4 below
- 3 Southern Natural Gas Company has 60 days after the receipt of the Final Order to complete the above items
- 4 Southern Natural Gas Company shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Linda Daugherty, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration Costs shall be reported in two categories 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure